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NASA Procedural Requirements

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Chapter 14. Recruitment, Redesignation, and Relocation Bonuses — NASA Flexibility Act of 2004

14.1 References

5 U.S.C. § 3132, Definitions and Exclusions.
5 U.S.C. § 5304, Locality-based Comparability Payments.
5 U.S.C. § 5753, Recruitment and Relocation Bonuses.
42 U.S.C. § 2473, Functions of Administration.
5 CFR Part 530, Pay Rates and Systems (General).
5 CFR § 530.202, Definitions.
5 CFR § 575.102, Definitions.
5 CFR § 575.205, Applicability to Employees.
Federal Workforce Flexibility Act of 2004.
NPD 3000.1, Management of Human Resources.
NASA Desk Guide on the NASA Flexibility Action of 2004, NASA OHCM.

14.2 Purpose

This chapter establishes the procedural requirements for implementing and applying the provisions pertaining to recruitment, redesignation, and relocation bonuses in the NASA Flexibility Act of 2004.

14.3 Authority

5 U.S.C. Part III, Subpart I, Chapter 98, National Aeronautics and Space Administration.

14.4 Responsibilities

14.4.1 The Assistant Administrator, OHCM has overall responsibility for ensuring Agency compliance with the statutory requirements governing recruitment, redesignation, and relocation bonuses, including preparation of the annual report to Congress on NASA's use of these bonuses.

14.4.2 The Human Resources Director at each NASA Center is responsible for the following:

- a. Implementing the recruitment, redesignation, and relocation bonus authority in accordance with this NPR and applicable statutory requirements.
- b. Ensuring that no more than 25 percent of the total amounts of the recruitment, redesignation, and relocation bonuses in any fiscal year are paid to supervisory and management officials.
- c. Providing the OHCM with the information required for the annual report on recruitment, redesignation, and relocation bonuses.

14.5 Definitions

14.5.1 Recruitment Bonus — Paid to an individual newly appointed as an employee of the Federal Government. The term "newly appointed" will be applied as defined in 5 CFR § 575.102, Definitions.

14.5.2 Redesignation Bonus — Paid to an employee of another Federal agency in the executive, legislative or judicial branch of the Federal Government who is appointed to a NASA position in the same geographic area.

14.5.3 Relocation Bonus — Paid to a current Federal employee who is required to relocate to a different geographic area to accept a NASA position.

14.5.4 Critical Need — Competency area in which the Agency is, or will be, at risk, as set forth by the AA, OHCM.

14.5.5 Fresh-Out — A new appointee who has received his or her degree within a year of being hired.

14.5.6 Geographic Area — This term is explained in 5 CFR § 575.205, Applicability to Employees, Subsection (b).

14.5.7 Supervisor — An individual having authority to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline, or remove employees, to adjust their grievances, or to effectively recommend such action, if the exercise of the

authority is not merely routine or clerical in nature but requires the consistent exercise of independent judgment. Supervisory duties need not require a significant amount of time, nor require a supervisory designation in the position title.

14.5.8 Management Official — An individual employed in a position that requires or authorizes the individual to formulate, determine, or influence Agency policies.

14.5.9 Involuntarily Separated — Generally refers to a separation initiated by the Agency against the employee's will and without his or her consent for reasons other than cause, on charges of misconduct or delinquency. Involuntary separations include a separation resulting from the employee's inability to do the work following genuine efforts to do so and separations that result when an employee who is in a position that is not covered by a mobility agreement declines a reassignment outside his or her commuting area.

14.6 Covered Individuals

Except as indicated below, a bonus may be paid to an eligible individual who is, or will be, newly appointed to a: GS, SES, Executive Schedule (EX), SL, ST, Law Enforcement Officer (LEO), or Federal Wage System (FWS) position. A bonus may also be paid to an eligible employee whose pay is Administratively Determined (AD) under 42 U.S.C. § 2473, Functions of Administration, Subsection (c) (i.e., NEX employee).

14.7 Exclusions

A bonus may not be paid to an employee in a position to which an individual is appointed by the President, by and with the advice and consent of the Senate; to which an individual is appointed by the President without the advice and consent of the Senate; in the SES as a noncareer appointee as defined in 5 U.S.C. § 3132, Definitions and Exclusions, Subsection (a)(7); or excepted from the competitive service by reason of its confidential, policy-determining, policy-making, or policy-advocating character ("Schedule C position").

14.8 Temporary Duty Assignment

Relocation bonuses will not be paid for a temporary duty assignment of less than 120 days. The bonus amount for temporary duty assignments will not be more than 25 percent of an employee's rate of basic pay (excluding locality-based comparability payments authorized under 5 U.S.C. § 5304, Locality-based Comparability Payments, as of the beginning of the temporary duty period. The service agreement may not be for a period shorter than six months. Therefore, the employee may fulfill the service agreement through assignments at the temporary duty location and another NASA duty location.

14.9 Bonus Approval Levels

14.9.1 For SES, ST, SL, and NEX positions:

- a. The Administrator has delegated authority to approve bonuses to the Associate Administrator for Institutions and Management.
- b. The Administrator is authorized to approve requests to waive bonus repayments for employees who fail to fulfill their service agreements.

14.9.2 For All Other Employees:

- a. Center Directors are authorized to approve bonuses. Approval authority may be delegated in accordance with NPD 3000.1, Management of Human Resources, except that the approving official must be at a higher level than the individual recommending the bonus, except the Administrator who may both recommend and approve bonuses.
- b. Center Directors are authorized to approve requests to waive bonus repayments for employees who fail to fulfill their service agreements. This authority may not be delegated below the Center Director level. For cases in which the bonus is approved at a level higher than the Center Director, authority to waive bonus repayments rests with the Associate Administrator for Institutions and Management.

14.10 General Requirements

14.10.1 Bonuses are to be used only when the position would likely be difficult-to-fill without a bonus.

14.10.2 A bonus is appropriate when an individual selected for a difficult-to-fill position indicates an unwillingness to accept because of insufficient compensation. Before offering a bonus, other incentives and alternatives must be considered, either in lieu of or in conjunction with the bonus. Other possible incentives and alternatives include superior qualifications appointments and qualifications pay.

14.10.3 All bonuses are to be offered in accordance with merit principles and must be in amounts and under terms commensurate with the needs of the Agency.

14.10.4 Approvals must be based on written documentation that addresses the requisite criteria. The documentation also must identify whether the position addresses a critical need as identified in the Act.

14.10.5 The determination (i.e., approval) to pay a recruitment or redesignation bonus must be made before the employee enters on duty in the position.

14.10.6 The determination (i.e. approval) to pay a relocation incentive must be made before the employee enters on duty in the position to which relocated.

14.10.7 The bonus may only be paid after the employee signs a service agreement.

14.10.8 A relocation bonus may only be paid after the employee has established a residence in the new geographic area and has provided proof of the new residence (e.g., mortgage document, property title, rental agreement, etc., in the employee's and/or spouse's name or jointly in the employee's name and a family member's or roommate's name) to the Center HRO.

14.10.9 The authority to pay recruitment and relocation bonuses under this authority is separate and distinct from the authority to pay recruitment and relocation incentives under the Federal Workforce Flexibility Act of 2004, as codified in 5 U.S.C. § 5753, Recruitment and Relocation Bonuses.

14.11 Limitation on Bonuses for Supervisors and Management Officials

14.11.1 Not more than 25 percent of bonus money **paid** in any fiscal year under these

provisions may be paid to employees occupying positions designated as supervisors or management officials. Recruitment, redesignation and relocation bonus amounts are combined when determining the percentage.

14.11.2 Each Center HRO must track recruitment, redesignation, and relocation bonuses paid to supervisory and management under these provisions to ensure that the total fiscal year projected bonus payout amount for the Center will not exceed 25 percent.

14.11.3 Only monies actually **paid** during the fiscal year is used in the calculation. For any employee who receives payment in installments, only the portion of the installment **paid** in the fiscal year is counted.

14.12 Determining Basic Eligibility

14.12.1 Each Center must use the basic eligibility criteria outlined below in the matrix and explanatory paragraphs to determine if a bonus is warranted. If the situation does not meet the minimum requirements identified below, a bonus will not be approved.

BASIC ELIGIBILITY CRITERIA Recruitment, Redesignation, and Relocation Bonuses		
Criteria	Definition	Elements
Degree of Difficulty in Recruitment	Extent to which quality candidates possessing the required skills and experience are available in the labor force	<p>(a) Recent recruitment efforts for comparable positions in the same geographic area demonstrate that it is difficult to find well-qualified candidates</p> <hr/> <p>(b) Positions requiring the skills are often vacant and fill times are prolonged</p> <hr/> <p>(c) Positions requiring the skills typically have a high turnover rate</p> <hr/> <p>(d) Labor market trends demonstrate that the Agency is likely to experience difficulty in</p>

		<p>finding well-qualified candidates now and/or in the future</p> <hr/> <p>(e) Candidates offered positions requiring these skills frequently decline the job offer</p> <hr/> <p>(f) Position is in a new or emerging technical area where the organization has a demand for the skills, but little recruitment history</p>
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14.12.2 Evaluating "Degree of Difficulty in Hiring": To meet the minimum requirements for bonus eligibility, the position normally must meet any two of elements (a) through (e) or element (f).

14.12.3 If the position does not meet at least two of the elements identified above, but presents issues of equivalent difficulty in the recruitment process, they may be used in lieu of elements (a) through (e) in justifying payment of a bonus.

14.12.4 Each case file must include documentation explaining and supporting the basis of payment eligibility. When a position is described as having a prolonged fill time or a high turnover rate, the justification must include information supporting that determination in the context of the specific type of work involved.

14.13 Determining the Bonus Amount

14.13.1 When there is a positive determination of bonus eligibility, a determination of the appropriate bonus amount must be made and documented.

14.13.2 Bonus Maximums

a. Individuals in positions requiring competencies, which are set forth by the AA, OHCM, that meet a **critical need**, are eligible for a bonus of not more than 50 percent of the annual rate of basic pay (including comparability payments authorized under 5 U.S.C. § 5304, Locality-based Comparability Payments, at the beginning of the service period multiplied by the service period. The service period must be identified in years and months. (Note: The total bonus amount may not exceed 100 percent of the annual rate of basic pay at the beginning of the service period. Therefore, any individual receiving the maximum bonus amount will incur a two-year service period).

b. Individuals in positions not requiring competencies defined as critical needs are eligible for a bonus of up to 25 percent of the employee's annual rate of basic pay (excluding comparability payments as authorized under 5 U.S.C. § 5304, Locality based Comparability Payments, at the beginning of the service period.

14.13.3 General Principles

- a. There is no entitlement, either implied or explicit, for an employee to receive the maximum bonus allowable under the law.
- b. Even when the evaluation criteria may support payment of a high bonus, the organization will pay a smaller bonus if such an amount is sufficient to secure a candidate's acceptance.

14.13.4 The following matrix must be used to determine the maximum bonus amount.

BONUS AMOUNT CRITERIA Recruitment, Redesignation, and Relocation Bonuses		
Criteria	Definition	Elements
1. Impact of Market Forces	Extent to which a specific candidate is likely to accept a job offer	<p>(a) Applicant provides evidence of a higher competing offer of Federal or non-Federal employment</p> <hr/> <p>(b) Candidate's current salary is higher than the salary of the position being offered (position being offered may be Federal or non-Federal)</p> <hr/> <p>(c) Salaries in the candidate's field are higher than for those of comparable positions at this location, as demonstrated by salary surveys or other objective evidence</p>
2. Individual Attributes	Extent to which the individual possesses competencies that will enhance that Agency's ability to accomplish its mission	<p>(a) Individual's work experience and/or academic preparation have an unusually close and direct relevance to the position being filled</p> <hr/> <p>(b) Individual has contributed to the expansion of the body</p>

of knowledge in the professional field as demonstrated by research publications and/or leadership on professional panels, committees, and/or professional and honorary societies

(c) Individual's professional contributions have been formally recognized in the form of awards, citations, and/or commendations

(d) Individual brings new skills or perspectives not previously available, as demonstrated by unique or unconventional professional achievements

(e) FRESH-OUTS ONLY: Candidate possesses a high level and quality of educational attainment compared to the minimum education requirements for the position. "High level and quality" are defined as an individual who has at least a 3.5 GPA on a 4.0 scale in the academic discipline related to the position being filled

a. Using the Matrix: Criteria in the matrix provide key representative examples of elements that may be used to establish the bonus amount. They are not all-inclusive. Other issues of commensurate significance may be used, when documented, to determine the bonus amount.

b. Candidates Meeting Only Basic Eligibility: If a candidate meets basic eligibility, but does not meet any of the criteria in the matrix above (or other comparable elements),

he/she will be paid a bonus that does not exceed one-third of the maximum percentage allowable. In this case, a bonus paid to a candidate for a critical-need position must not exceed approximately 17 percent (out of a maximum 50 percent) of basic pay; a bonus paid to a candidate for a position not meeting a critical need must not exceed approximately 8 percent (out of a maximum 25 percent) of basic pay.

c. Criterion 1, Impact of Market Forces: Candidates who meet one or more of these or comparable elements may be offered a bonus high enough to be competitive with the individual's other employment alternative(s) and to create an incentive to accept the NASA position.

d. Criterion 2, Individual Attributes

i. Candidates who meet Criterion 1, and who also possess skills and knowledge with the potential to substantially enhance NASA's capabilities and reputation by meeting one or more of the elements under Criterion 2 or equivalent elements, may be paid a bonus up to the maximum amount allowable.

ii. Candidates who do not meet Criterion 1, but who demonstrate a high level of professional achievement, comparable to the elements outlined under Criterion 2, may be paid bonuses higher than the minimum described in item paragraph b. The documentation must demonstrate a level of accomplishment sufficient to justify the percentage being offered.

14.13.5 All bonus amount determinations beyond the minimum must be supported by documentation of the circumstances warranting the higher level payment.

14.14 Payment Schedule

14.14.1 Recruitment, redesignation, and relocation bonuses are **not** considered part of an employee's rate of basic pay for any purpose.

14.14.2 Bonuses paid under these provisions are subject to the aggregate limitation on pay in 5 CFR Part 530, Pay Rates and Systems (General), Subpart B, Aggregate Limitation on Pay. They constitute "other similar payments" under the definition of "aggregate compensation" in 5 CFR § 530.202, Definitions.

14.14.3 Bonuses may be paid as an initial lump-sum payment, in equal installments at the end of specified periods throughout the service period (e.g., biweekly, monthly, quarterly, etc.), in variable payments at the end of specified periods, as a final lump sum payment, or in a combination of payment methods. The final decision on the payment method rests with management, although employee preferences should be given strong consideration to the extent practicable.

14.15 Service Agreements

14.15.1 Approving officials will ensure that the service agreement provides for the maximum return on the Agency investment that is most appropriate in the specific circumstances.

14.15.2 Service agreements will be for a period of not less than six months and not more than 4 years.

14.15.3 Before paying a bonus, the employee must sign a written service agreement to

complete a specified period of employment. The following forms have been established for this purpose: NASA Form 1718, Employee Service Agreement — Recruitment Bonus; NASA Form 1717, Employee Service Agreement — Redesignation Bonus; and NASA Form 1716, Employee Service Agreement — Relocation Bonus. The service agreement must include:

- a. The required period of service, which must be expressed in years and/or whole months, with partial months being rounded to the nearest month.
- b. The method of payment, including the payment schedule.
- c. The amount of the bonus and the basis for calculation.
- d. For a relocation bonus, the requirement to establish a residence in the new geographic area and provide proof of the new residence (e.g., mortgage document, property title, rental agreement, etc. in the employee's and/or spouse's name or jointly in the employee's name and a family member's or roommate's name) to the Center HRO before payment of any part of the bonus.
- e. The requirement to maintain a rating of record of at least "Fully Successful" (Level 3), or equivalent during the service period.
- f. Conditions under which the agreement may be terminated before the expiration of the service period and the effect of such early termination.
- g. Conditions under which the employee would be required to repay a bonus and how the repayment amount will be computed.

14.15.4 In addition to the service requirement in the paragraph above, the service agreement may specify other terms and conditions of employment (e.g., employee's work, type of position). The service agreement may also address the extent to which periods of time on a detail, in nonpay status, or in paid leave status are creditable towards completing the service period.

14.16 Violation/Termination of Service Agreement

14.16.1 Employees who fail to complete the required service period must repay bonus monies under the conditions specified in the service agreement. Employees may also be required to repay a bonus if they violate any other condition specified in the service agreement.

14.16.2 An employee will not be required to repay a bonus if he or she is involuntarily separated. An employee receiving a relocation bonus will not be required to repay the bonus if the Agency determines that it is necessary to relocate the employee outside of the commuting area.

14.16.3 Repayment may be waived only when a determination is made that recovery would be against equity and good conscience and not in the best interests of the United States.

14.17 Action Processing

Instructions for processing these actions are contained in the NASA Desk Guide on The NASA Flexibility Act of 2004.

14.18 Records and Reporting Requirements

14.18.1 The Center Human Resources Office must establish and maintain documentation for each bonus approved. The documentation must include: the basis of the determination that the position is likely to be difficult to fill, the basis for authorizing a bonus, the basis for determining the amount of the bonus and the payment schedule, and a copy of the signed service agreement.

14.18.2 Information on bonuses paid under these provisions is to be provided to the OHCM, as requested, to ensure compliance with the annual Congressional reporting requirements.

14.18.3 Each Center HRO must, at a minimum, maintain the following data by bonus type and by whether or not the bonus is paid to address a critical need: (1) total amount of bonuses paid, (2) the total number of bonuses paid, (3) the percentage of the amount of bonuses paid to supervisors and management officials, and (4) the average percentage used to calculate the total average bonus amount.

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